

Washington State Dept. of Community, Trade and Economic Development

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**Investment Will Boost Jobs and Economic Growth Planning in Grays Harbor
Skamania, Spokane and Whatcom Counties**

OLYMPIA, WA – May 24, 2006 - The State Community Economic Revitalization Board (CERB) announced \$2,350,000 in public investments to create new jobs and boost business growth across the state in actions taken on May 19, 2006.

"Investment in Washington communities and companies is an investment in our future," said Governor Gregoire. "These grants and loans will create new family-wage jobs and help grow the local economy in each of these counties."

- In Grays Harbor County, CERB approved a \$1,000,000 loan to assist the Grays Harbor Public Utility District (PUD) construct a biomass generator to support the retention and expansion of Grays Harbor Paper.
- In Skamania County, CERB approved a \$50,000 loan and \$200,000 grant to assist the Public Utility District No. 1 of Skamania County provide water to support the expansion of the Carson Hot Springs Resort.
- In Spokane County, CERB approved a \$750,000 loan and \$250,000 grant to assist the Spokane International Airport with the construction of an industrial building for lease back to support the retention and expansion of Absolute Aviation Services and Empire Airlines.

- In Whatcom County, CERB approved a \$50,000 grant to assist the Lummi Indian Nation conduct a feasibility study that would improve economic development opportunities on tribal lands and waterways at Gooseberry Point.

In Grays Harbor County, the Grays Harbor PUD public facility project will construct a 7.5 megawatt biomass generator, required for the retention and expansion of Grays Harbor Paper. Biomass fuel used by the Grays Harbor Paper boilers produces steam for the turbine and papermaking, fueled by renewable energy. The low-cost power from the biomass generator provides competitive power rates, stabilizes Grays Harbor Paper manufacturing costs and creates a market niche for the company to produce paper with Green Power. Grays Harbor Paper must generate lower power rates to keep production costs down to retain existing operations in the state as well as develop company growth opportunities.

Grays Harbor Paper will retain 214 full-time jobs and create an additional 26 jobs. The company produces uncoated freesheet paper and competes in an international commodity paper market with large corporations. Some of these corporations have competitive advantages, such as lower cost fiber and labor, substantial government assistance from their host countries, and superior distribution outlets, etc. The biomass generator fueled with renewable energy provides competitive power rates and a market niche for paper produced with Green Power.

The additional biomass fuel needed for this project provides for expanded employment opportunities and stability of current forest product employment. The groups that will benefit are employees of forest product processors (sawmill, whole log chippers, plywood, etc.), loggers, log truck drivers, chip truck drivers, and the numerous employees who support this industry. Power generated will be accomplished by using waste wood biomass, such as hog fuel, and will lessen the need to use fossil fuels for the same power needs. In addition, the local economy will benefit from increased capacity to generate electricity, which will allow the PUD to manage the cost structure and local power needs more efficiently, keeping costs under control for the public and business community.

CERB funds are matched with \$6,500,000 from other sources for public project costs.

In Skamania County, the PUD No. 1 of Skamania County project will provide water to the Carson Hot Springs Resort, which will retain 18 existing full-time jobs and create an additional 23 full-time jobs. The Resort is unable to open a 39-room hotel due to inadequate water to serve it. The geothermal Carson Hot Springs spa is designed to be a destination resort similar to the Skamania Lodge and North Bonneville Hot Springs.

The Resort's expansion will have a positive impact on existing and new spin-off businesses such as restaurants, retail specialty shops, and other health spas in the area. Another health spa development creates a cluster of destination resorts in Skamania County, including the Skamania Lodge spa and North Bonneville Hot Springs Resort spa. While still in the conceptual stage, the potential exists for Skamania County being marketed as a geothermal hot spot.

CERB funds are matched with \$1,176,284 from other sources for public project costs.

In Spokane County, the Spokane International Airport (SIA) project will construct an estimated 11,235 square foot aircraft maintenance facility with 7,000 square feet of support facilities. The facility will be leased to Absolute Aviation Services and Empire Airlines, Inc, existing firms at SIA, and is required for the retention and expansion of these firms in Washington State. These aviation-related businesses will develop related support services and products, including research and development as a result of additional space to expand operations.

Absolute Aviation Services will retain 11 full-time jobs and create an additional 15 full-time jobs. Empire Airlines will retain 10 full-time jobs and create an additional 10 full-time jobs. A total of 21 jobs will be retained and 25 jobs created.

The Spokane community has an established and expanding aerospace industry cluster and the Spokane International Airport has been working cooperatively focusing on this segment of the economy.

CERB funds are matched with \$692,000 from other sources for public facility costs.

In Whatcom County, the Lummi Indian Nation project supports a feasibility study for the development of a mixed-use commercial fishing and private boat marina located on tribal lands and waterways at Gooseberry Point that would provide economic development opportunities as well as traffic safety improvements.

The Lummi Nation would like to take advantage of the marine water accessibility at Gooseberry Point to provide improved and safer facilities for its commercial fishing fleet and to leverage the site's proximity to the population base of Whatcom County for economic gain. This could be accomplished by offering both commercial and recreational berthing opportunities and associated upland amenities. This opportunity includes consideration of relocating the Whatcom County ferry terminal, construction of a new protected harbor, development of hospitality and commercial services and programming of activities at Gooseberry Point.

CERB funds are matched with \$25,000 from other sources for the public project.

CERB is the state's economic development resource strategically focused to help business and industry create and retain jobs in partnership with local government in rural areas. CERB finances publicly owned economic development infrastructure to encourage new development and expansion in areas where growth is desired. These improvements include industrial water and sewer, industrial wastewater treatment facilities, telecommunications, electricity, natural gas, roads, bridges, general-purpose industrial buildings and port facilities. To assist CERB in building successful communities and sustainable economies statewide, management support is provided by the Department of Community, Trade and Economic Development.

"The CERB Program is designed to respond to emergent business development needs for public infrastructure and provide long-range feasibility planning to help communities plan for future business development," said Tom Trulove, CERB Chair.

"The Department of Community, Trade and Economic Development is pleased to work with CERB in support of Washington's industrial business climate," said Juli Wilkerson, Director of CTED.

The release of CERB funds to these projects is contingent upon each applicant completing specific pre-contract requirements, such as finalizing other funding sources and obtaining necessary permits.

More information about the CERB program is available at www.cted.wa.gov.

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